



# Ampersand Growth Opportunities Fund Scheme – 1

FUND UPDATE: July 2024

## Fund objective and strategy

Ampersand Growth Opportunities Fund Scheme-1 (AGOFS) seeks to generate long term capital appreciation by investing in a portfolio of listed equity and equity related securities. AGOFS will follow a multi-cap strategy focusing on investment opportunities across the growth themes with a typical portfolio of 30-35 stocks.

## Fund facts

Fund Size	Inception Date	Unit NAV	Unit Face Value	Benchmark	Category
INR 732.0cr	25 SEP 2017	INR 480.1	INR 100	S&P BSE 500	Multi-cap

## Fund Performance: Strong showing, ahead of all major indices

Ampersand fund NAV rose 6.7% in July, once again well ahead of benchmark BSE 500, and key indices. This was driven by broad based performance of our portfolio, and despite skewed allocation to Industrials which underperformed on a relative basis.

Our performance across various time periods illustrates consistent and strong showing. Since inception in Sept 2017, our fund has delivered over 25% CAGR, well ahead of all major indices.

Table 1: Fund and Market Performance

Returns	1 Month	3 Months	6 Months	1 Year	3 Year CAGR	5 Year CAGR	Inception CAGR
AGOFS NAV	6.7%	17.9%	36.1%	78.7%	34.9%	34.7%	25.7%
BSE 500	4.3%	12.2%	18.8%	37.3%	19.6%	21.0%	15.5%
Nifty 50	3.9%	10.4%	14.8%	26.3%	16.5%	17.5%	14.3%
Nifty Midcap 100	5.8%	16.0%	21.5%	56.4%	28.5%	29.9%	18.5%
<b>AGOFS NAV*</b>							<b>480.1</b>

\* NAV (post expenses & taxes paid till date), Class & Series-wise NAV may differ

Table 2: Portfolio Metrics

Valuation		Risk	
PE	47.0	Standard Deviation *	18.56
PB	10.0	Beta	0.89
ROCE *	23.2	Sharpe Ratio	1.28

PE, PB & ROCE calculated based on FY25 estimated values. \*ROCE for portfolio is calculated ex-financials.

\*Annualised standard deviation of returns has been calculated.



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## Core holdings list has undergone one alteration based on performance

Our Top-5/10 holdings account for ~19% and ~36% of corpus respectively, slightly lower compared to the previous month. And this was due to pruning exposure of our largest holding until last month i.e. ICICI, and full exit of Jupiter Wagons. Our top 10 list underwent just one alteration, with Ashok Leyland making it due to relative performance.

**Table 3: Top 10 Holdings**

Company	% Weight	Company	% Weight
Trent	4.4%	The Phoenix Mills	3.7%
REC	4.0%	Zomato	3.6%
TARC	3.7%	MCX	3.5%
Varun Beverages	3.7%	Ashok Leyland	3.4%
Motilal Oswal Financial	3.6%	Amara Raja Energy	3.4%
<b>Top 5</b>	<b>19.3%</b>	<b>Top 10</b>	<b>36.3%</b>

## Sectoral allocation underwent key shifts

Our sector-wise allocation has somewhat altered as compared to earlier months and the last year, with continued pruning of exposure to the Engineering & Capital goods sector, mainly on account of full exit of Jupiter Wagons. Other notable changes include increased allocation to the IT and Pharma sector, with incremental positions in Infosys and Natco. Rest of the allocation was largely similar to the previous month, including Consumer and the Real Estate sectors.

Our weights related to market cap classification witnessed one alteration, with reduction in exposure to the micro-cap category, and corresponding increase in large caps. Our mid cap exposure remained similar to the previous month.

Our cash and equivalents are lower compared to recent months at over 5%, but still higher than normalised levels of 3-4%.

As on July 31, 2024, our fund consists of 36 stocks, more than our preferred band of 30-35 holdings. This is because a couple of stock exits are in process, even as we have started to invest in some new names.

**Table 4: Market Cap Classification**

Market Cap	% Weight
< INR 10,000cr	11.1
INR 10,000-50,000cr	32.2
INR 50,000-100,000cr	13.0
>INR 100,000cr	38.3
Cash & Cash Equivalents	5.4
<b>Weighted Avg. Market Cap (Rs bn)</b>	<b>1,320.3</b>

**Table 5: Sectoral Allocation**

Sector	% Weight
Engineering & Capital Goods	17.8
Consumer (Goods & Services)	16.3
Financial Services	14.2
Pharma & Chemical	13.4
Real Estate	10.2
Auto and Auto Ancillaries	8.9
IT Services	7.2
Others*	6.6

\*Includes E-Commerce, Metal and Mining, Hotels & Restaurants



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### Gains mostly broad based, selective underperformance in Capital goods

Several portfolio stocks did well during the month, notably sharp moves in Zen Technologies, Power Mech and REC. However, the month also witnessed muted showing in a few of our core holdings like Cummins and Schneider, both in the Engineering & Capital goods sector.

**Table 6: Key Movers**

Performers	% Return	% Weight	Laggards	% Return	% Weight
Zen Technologies	45.1%	2.3%	Schneider Electric	-7.2%	3.2%
Power Mech Projects	25.3%	2.1%	Jindal Steel & Power	-5.4%	2.0%
REC	22.6%	4.0%	Varun Beverages	-3.2%	3.7%
TARC	14.8%	3.7%	Cummins India	-2.9%	2.9%
Zomato	14.4%	3.4%	Amara Raja Energy	-2.2%	3.3%

*Note: Average weight used for stocks bought/sold during the month*

### Aug could be another volatile month

As expected July has been a volatile month, both due to the interim results season and a major event i.e. General Budget. Results have been mixed, with IT majors starting off with a beat, but most banks disappointed. The Budget was prudent and balanced, but tax proposals related to capital gains on equities was a dampener. While excessive valuations in Industrials and other select themes witnessed some cool-off post Budget, markets largely shrugged off tax impact and continued to surge even in the last week of the month. SEBI concerns over unbridled speculation in the derivatives market were also ignored. This was mainly due to sustained domestic and net inflows. US Fed Reserve commentary could dictate trends in equities in August, but our concerns over valuations has now magnified. The one positive was strong rainfall in July across most regions, albeit spatial divergence. The positive fallout of monsoons and recovery in project execution should be felt towards the latter half, in our view. Until then, we are undertaking gradual shifts to sectors which have not done well and fundamentals are improving at the margin, and reducing exposure to themes which may have run ahead of its course.



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## Fund Information

### Minimum investment

INR 10 million

### Subscriptions

Monthly

### Redemptions

Monthly, subject to  
12 months lock-in

### Registered for Sale

Registered with SEBI

### Legal and Fund Consultant

Khaitan & Co.

### Administrator

Kotak Mahindra Bank Ltd.

### Registrar & Transfer Agent (RTA)

CAMS Limited

### Statutory Auditor & Tax Consultant

Deloitte Haskins & Sells LLP

### Investment Manager

Ampersand Capital Investment Advisors LLP

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## Investment Manager

### **Ampersand Capital Investment Advisors LLP (LLPIN: AAF –1429)**

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## **DISCLAIMER:**

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